

Fiscal Year 2003 Nassau County Hospital Charity Care Report

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I. Background: Caring for the Medically Indigent and Uninsured

An estimated 130,000 residents of Nassau County are uninsured or underinsured (14% of non-elderly population). This group includes persons not legally eligible for public health care insurance programs (undocumented aliens), working adults who do not qualify for public assistance but yet do not receive insurance through their employers, and persons who chose not to be insured (many young adults, students and some elderly). Many persons without insurance rely on subsidized or charity care provided by one of the 12 county hospitals.

The large number of uninsured and medically indigent contributes to health and healthcare disparities experienced by minority communities. The high cost of medical care blocks access of preventive services, compromises treatment for chronic illnesses and encourages the use of emergency rooms for acute conditions.

All non-profit hospitals operating in New York State are required to provide “community service,” and to file a report with the state health department detailing how they intend to meet community needs (Section 2803-1 of the NYS Public Health Law). These plans include, but are not limited to provision of charity care. The state allows considerable latitude in how hospitals respond to this requirement, and does not set a monetary standard for the amount of charity care or the cost of other community programs.

Because all twelve Nassau County hospitals are not-for-profit corporations that receive tax-exempt status, federal law requires them to provide charity care or other “public goods” such as research, medical training, health promotion programs, etc. The Internal Revenue Service does not set a dollar amount of these community services, but does advise that the services be available to all, that they benefit the community, and that the services are not part of the normal operations of the enterprise. The provision of emergency medical services regardless of ability to pay is frequently cited as community service justifying the federal tax exemption.

II. The Local Health Care Safety Net - Minority Health

Health policy analysts often refer to the “safety net” as a network of providers who deliver medical services for the poor, the homeless, undocumented aliens and others who otherwise cannot afford treatment. In most communities, the network is comprised of teaching hospitals, community health centers, family planning providers, mental health clinics, substance abuse treatment programs and free clinics staffed by volunteers. In 2002, several events raised concerns about the viability of Nassau’s health care safety net. The Nassau Health Care Corporation continued to report large deficits, and county government and fiscal monitors became concerned about its short-term fiscal stability. The Long Island Health Access Monitoring Project released its second report demonstrating the difficulties faced by the uninsured in obtaining charity care from Long Island hospitals. The growing number of uninsured seemed to be an insoluble problem and threaten to place even greater burdens on NUMC.

Nassau County government (through the Nassau County Medical Center and the Health Department clinics) has historically been the primary provider of free or subsidized care to its poorest residents. In 1999, the hospital, clinics and the A. Holly Patterson nursing home were sold to the newly formed Nassau Health Care Corporation

(NHCC). The Corporation inherited the mission of caring for the medically indigent, for which it receives approximately \$18 million a year in subsidies.

Nassau County hospitals through their emergency rooms, teaching programs, and inpatient services contribute substantially to the safety net, for which they will receive an estimated \$38 million in Disproportionate Share Hospital (DSH) payments from New York State's Indigent Care Pools. DSH payments are designed to partially offset the cost of bad debts and charity care. Three county hospitals (NUMC, Long Beach, New Island) are eligible for federal Medicare DSH payments, and NUMC receives additional Medicaid funds available only to public hospitals.

III. Nassau County's Charity Care Ordinance

In 2003, in order to assess the need for and maximize access to charity care, the county enacted Local Law 1-2003 which requires hospitals operating in Nassau to have policies and procedures to provide charity care to medically indigent residents (Attachment 1). The law, closely modeled on a San Francisco ordinance, defines charity care as:

“...emergency inpatient or outpatient medical medical care, including ancillary services, provided to indigent persons.”

An indigent person was defined as:

“[a] person who is uninsured, and determined after a needs assessment by the health care provider to have exhausted all reasonable means of payment so that there is no expectation of reimbursement.”

Local law 1-2003 further required hospitals to report the amount of care provided in terms of cost and number and location of patients served. Because charity care is given without expectation of payment, the legislative intent was to not consider care for which the hospitals did not receive full payment from insured individuals, or non-payment from persons able to pay (bad debts). The Department of Health was given responsibility for enforcing the law and filing of an annual charity care report with the county legislature.

IV. Nassau County Hospitals

All hospitals in Nassau County are subject to the law. The twelve hospitals include five members of the North-Shore/Long Island Jewish Health System, the Winthrop-South Nassau System, two members of Catholic Health System of Long Island and three independent hospitals (NUMC, New-Island, Long Beach). The location, size and range of services are summarized in Table I.

V. Charity Care Reporting

The Law requires all Nassau County hospitals to make a yearly report of following information:

- The total value of charity care provided to county residents for the reporting year, excluding bad debt
- The total number of applications for charity care
- The number of accepted and denied applications
- The number of charity care patients from each Nassau County zip code
- All charity care policies
- Any applications forms used for charity care
- An example of signs or public postings informing the public of the institutions charity care policy, including a phone number or office where persons may seek care, and
- A calculation of the hospital's cost to charge ratio.

VI. Implementation

Through the first half of 2003, the Health Department, with the assistance of the Nassau-Suffolk Hospital Council (NSHC), convened several meetings with county hospitals to devise a reporting form and clarify reporting requirements. NSHC worked independently to assist members in writing appropriate policies and public notices that would meet the spirit of the law.

In the fall of 2003, Nassau County Health Department investigators visited each hospital to view its public notices and collect copies of its policies. These were reviewed and comments and suggestions were given to each hospital through the NSHC. In the spring of 2004 the HD sent a letter to each hospital reminding them of their reporting obligations and of the deadline of May 30, 2004. By July 2004 all the hospitals had submitted a report to the Health Department.

VII. Results

a)Charity Care Provided

All twelve hospitals reported the amount of charity care provided in 2003 (see Table 2). Even allowing for the large differences in hospital size, number of discharges and services provided, there was substantial variation in the amount of charity care provided. For example, North Shore University Hospital reported providing charity care for more than 18,000 patients with a value of over \$34 million. South Nassau Communities Hospital provided care to 786 persons at a value of \$460,000. Nassau University Medical Center reported serving 14,000 patients at a value of \$12.7 million. In total, Nassau County hospitals provided care valued at \$45 million to more than 48,000 patients.

Each hospital provided a breakdown by zip code of residence of the patients who received charity care (Table 3). In general, patients who received charity care lived within the normal catchment area for that hospital. However, persons from certain low-income zip codes (e.g., Hempstead, New Cassel) received care at most or all of the county hospitals. For hospitals in western Nassau (Franklin, Long Beach, North Shore-Manhasset), a substantial number of patients lived in Queens, New York.

b)Policies and Procedures

The Charity Care law defined *Policies* to mean:

“...the hospital’s criteria and procedures on the provision of charity care including and criteria and procedures for patient and community notification of charity care availability, the application or eligibility process, the criteria for determinations on eligibility for charity care and the appeal process on such determinations, and the hospital’s internal accounting procedures for charity care.” (Section 9-23.1(h))

The reporting requirements of Local Law 1-2003 further requires that information on “all charity care policies, including but not limited to ...any application or eligibility forms used, and the hospitals locations and hours at which the information may be obtained by the general public” also be included in the hospital’s charity care report to the Health Department. (Section 9-23.2(4)).

All twelve hospitals provided information on hospital charity care policies and procedures as required under Local Law 1-2003. The detail and specificity in the policies varied greatly from hospital to hospital.(See Table III) Some hospitals as exemplified by the North Shore/LIJ System provided detailed policies which outlined information on eligibility assistance, covered services, notification of financial aid, discussion of the financial aid process, evaluation criteria, billing information and the appeals process. Hospitals submitted fee schedules for the clinic and non-clinic patients, and applications forms for charity care hospitals also submitted multilingual signage as required under the law.

VIII. Conclusions

In this first year of reporting, Nassau County hospitals made substantial efforts to develop and implement policies to make the provision of charity care less confusing to patients and hospital staff. Every hospital created or updated policies and procedures, developed a standard application to request charity care, and posted signs to advise patients that such benefits were available. Hospitals worked with the Department and the Nassau-Suffolk Hospital Council (NSHC) to share model signage and policies. Great strides were made by the NCHC and the Hospitals in developing model charity care policies, procedures, applications and signage. Continued implementation of these uniform policies and forms by all Nassau County Hospitals is a slow but important step in perfecting the charity care reporting process.

One of the legislature’s intents on creating this law was to assess the need for charity care in the county. The total amount of care provided is substantial and certainly ameliorates the social problems created by high rates of un- and underinsurance. This Department has no systematic way of gauging whether more charity care is needed, it seems likely that current network of safety net of community health centers, resident training clinics, family planning providers and free clinics does not fully meet the needs of a county of 1.3 million persons, especially given the growing immigrant communities. Continuing fiscal problems at NUMC, the major component of the medical safety net (at least for Nassau’s poorest communities) make projecting the need for additional services difficult.

The value of care provided, and the number of patients served varied widely, and as noted above, cannot be fully explained by differences in hospital size, discharges or services offered. Much of the difference is due to hospital location, historic referral

patterns, and in the case of NUMC, a historic mission of caring for persons regardless of ability to pay. A substantial part of the difference may also be due to differences in how charity care is defined, accounted for, and reported by the different institutions. This problem was noted by the NSHC when the law was enacted and is due primarily to the difficulty in distinguishing between bad debts and charity care. At least one hospital believed their report to greatly understate the amount of charity care they provided because of this accounting problem.

Nevertheless, the large differences in amount of care provided raises legitimate questions about how hospitals fulfill their community benefit obligations and merit their tax-exempt status. One of the legislative intents of this law was to, “level the playing field,” among hospitals and to more equally share the burden of caring for the poor. At this point the relative burden *as measured by charity care provided* is highly unequal. The legislature noted that, “...it is the responsibility of all hospitals within the County to provide proper medical treatment to **indigent persons**,” a statement that every hospital will agree to. Because there is no standard as to the amount of care an institution should provide, it is impossible to say that any hospital is not meeting its responsibility.

IX. Recommendations

Hospitals should continue to refine their charity care policies and review procedures by which they make these policies known to their patients.

1. Under the leadership of the NSHC, hospitals should make efforts to standardize the way charity care is accounted for and reported.
2. Hospitals should review the amount of charity care provided, and consider their contribution to community health in comparison to others operating in the community.
3. The Nassau County Health Department will continue to inspect hospitals to insure that adequate and legible multilingual signage is prominently posted in all required areas.

Table 1. Hospital Profiles

(Statistics are for the year 2003)

Long Beach Medical Center

455 East Bay Drive
Long Beach, NY 11561

Long Beach Medical Center includes a 203-bed community teaching hospital, a 200-bed sub acute and skilled nursing facility, home-health agency and numerous outpatient services. The Family Care Center provides primary and specialty medical care for people with limited financial resources.

Admissions: 5,742
ER Visits: 14,852

Mercy Medical Center

1000 N. Village Avenue
Rockville Centre, NY 11570

Mercy Medical Center is sponsored by the Diocese of Rockville Centre and is one of five acute care hospitals within Catholic Health Services of Long Island. It is a 387-bed Level II Trauma Center serving the healthcare needs of residents of Nassau County and surrounding areas. It is best known for its maternal and child health services; oncology; physical medicine and rehabilitation; orthopedics; and behavioral health services. Mercy is a member of LIHN.

Admissions: 14,407
ER Visits: 40,652

Nassau University Medical Center

2201 Hempstead Turnpike
East Meadow, NY 11554

The Nassau University Medical Center, a Level I Regional Trauma Center, is part of the Nassau Health Care Corporation which also includes a skilled nursing facility and seven community health centers. The medical center is a 631-bed tertiary care teaching hospital, and it is affiliated with the Health Sciences Center of the State University of New York at Stony Brook and Lenox Hill Hospital.

Admissions: 22,091
ER Visits: 82,521

New Island Hospital

4295 Hempstead Turnpike
Bethpage, NY 11714

New Island Hospital is a 223-bed acute care facility that, since 1999, has existed as a joint venture between Winthrop South Nassau Health System and Catholic Health Services of Long Island. It offers inpatient, outpatient, and emergency services. Sleep medicine and hyperbarics/wound care are two of its more specialized services. New Island is currently a member of the Long Island Health Network (LIHN) – a group of hospitals that have voluntarily joined together to improve patient care through ensuring best practice standards in patient care, decreasing lengths of stay, and costs.

Admissions: 8,733
ER Visits: 35,442

North Shore/LIJ Health System

200 Community Drive
Great Neck, NY 11021

The North Shore/LIJ Health System serves Long Island, Queens and Staten Island and is headquartered in Great Neck, NY. The system is comprised of 17 hospitals, including three tertiary hospitals, a children's hospital and a psychiatric facility, hospice and home care services, a medical research institute and other health-related facilities.

In Nassau County, the five hospitals that are part of the NSLIJ System are **North Shore University Hospital – Manhasset** (849 beds), **Glen Cove Hospital** (281 beds), **Syosset Hospital** (116 beds), **Franklin Hospital** (305 beds) and **Plainview Hospital** (240 beds).

Admissions: 84,278
ER Visits: 144,000

(These are combined figures for the five North Shore/LIJ System hospitals located in Nassau County)

St. Francis Hospital

100 Port Washington Boulevard
Roslyn, NY 11576

St. Francis Hospital, The Heart Center is sponsored by the Diocese of Rockville Centre and is one of five acute care hospitals within Catholic Health Services of Long Island. It is New York's only specialty designated cardiac center and performs more cardiac procedures than any other hospital in the Northeast. It has a 279-bed capacity and is a member of the LIHN.

Admissions: 18,596
ER Visits: 18,117

South Nassau Communities Hospital

One Healthy Way
Oceanside, NY 11572

South Nassau Communities Hospital is a 429-bed acute care hospital, providing inpatient, ambulatory, home health, restorative, preventive, and emergency medical care. South Nassau is partner with Winthrop-University Hospital in the Winthrop South-Nassau University Health System and a member of the New York-Presbyterian Healthcare System.

Admissions: 15,047
ER Visits: 42,485

Winthrop-University Hospital

259 First Street
Mineola, NY 11501

Winthrop-University Hospital is a 591-bed acute care facility providing medical, surgical, pediatric, and obstetrical services and is also designated as a Level I Regional Trauma Center. Since 1996, it has been affiliated with South Nassau Communities Hospital under the parent corporation called Winthrop South Nassau University Health System, Inc. It is Long Island's first voluntary and oldest not-for-profit hospital in Nassau and Suffolk Counties and is also a member of the LIHN.

Admissions: 29,718
ER Visits: 49,279

Table 2

**Nassau County Department of Health
2003 HOSPITAL CHARITY CARE REPORT**

NAME OF HOSPITAL	Rec'd 2003 Charity Care		Total # Applications	Applications Accepted	Applications Denied	Patients who rec'd Charity Care	Total Emergency Care	Inpatients	Outpatients	Total Charity Care Provided (Charges)	Total Charity Care Cost	Cost to Charge Ratio
	Financial Info	Policies										
Franklin Medical Center	Completed	Completed	5,452	4,419	1,033	4,419	1,060	691	2,668	\$1,714,026	\$737,286	43.0%
Long Beach Medical Center	Completed	Completed	3,339	3,334	5	3,334	574	36	6,752	\$2,369,164	\$1,609,540	67.9%
Mercy Medical Center	Completed	Completed	1,501	1,351	150	1,351	213	44	1,197	\$1,766,719	\$689,020	39.0%
Nassau University Medical Center	Completed	Completed	13,724	13,724	0	13,724	2,040	24	11,660	\$12,662,382	\$9,142,239	72.2%
New-Island Hospital	Completed	Completed	136	136	0	63	13	38	85	\$669,811	\$296,689	44.3%
NSUH at Glen Cove	Completed	Completed	12,574	5,202	7,372	5,202	2,017	445	2,740	\$9,003,371	\$8,274,651	91.9%
*NSUH at Manhasset	Completed	Completed	32,741	18,314	14,427	18,314	3,973	2,166	12,175	\$34,634,051	\$21,919,381	63.3%
NSUH at Plainview	Completed	Completed	1,737	1,582	155	1,582	949	474	159	\$3,223,674	\$1,289,348	40.0%
South Nassau Community Hospital	Completed	Completed	789	786	3	786	25	12	2,619	\$458,686	\$361,689	78.9%
St. Francis Hospital	Completed	Completed	168	164	4	153	7	33	124	\$835,670	\$307,526	36.8%
Winthrop University	Completed	Completed	230	216	14	216	191	58	19	\$1,209,735	\$664,607	54.9%
Total						49,144	11,062	4,021	40,198	\$68,547,289	\$45,291,976	

*Includes information for NSUH @ Syosset which shares the same provider number.

Table 3
Nassau County Department of Health
2003 HOSPITAL CHARITY CARE REPORT
Application by Hospital and Zip Code

Name of Hospital	Total Applications for Charity Care	Top Five Zip Codes	Communities	# Applicants by Zip Code
Franklin Medical Center/ Zip code 11580	5,452	11003 11580 11422 11413 11411	Elmont Valley Stream N. Jamaica Springfield Gardens Cambria Heights	873 637 395 286 186
*Long Beach Medical Ctr Zip code 11561	3,334	11561 11572 11520 11550 11510	Long Beach Oceanside Freeport Hempstead Baldwin	2,266 90 62 50 48
Mercy Medical Center/ Zip code 11570	1,351	11550 11553 11520 11575 11552	Hempstead Uniondale Freeport Roosevelt West Hempstead	287 129 77 64 48
Nassau University Medical Ctr. Zip code 11554	13,448	11550 11590 11520 11003 11553	Hempstead New Cassel Freeport Elmont Uniondale	2,252 2,117 1,470 1,171 823

Table 3
Nassau County Department of Health
2003 HOSPITAL CHARITY CARE REPORT
Applications by Hospital and Zip Code

Name of Hospital	Total Application for Charity Care	Top Five Zip Codes	Community	# Applicants by Zip Code
NSUH at Glen Cove/ Zip code 11714	12,574	11542 11560 11771 11709 11801	Glen Cove Lattingtown Oyster Bay Bayville Hicksville	6,113 882 818 502 238
NSUH at Manhasset/ Zip code 11030	32,741	11050 11021 11020 11024 11542	Manorhaven Great Neck Great Neck Gr. Nk/Skigspt Glen Cove	3,403 1,772 953 935 871
NSUH at Plainview/ Zip code 11803	1,737	11801 11803 11590 11756 11714	Hicksville Plainview New Cassel Levittown Bethpage	207 134 68 67 63
South Nassau Communities Hosp./ Zip code/11572	786	11520 11572 11510 11561 11570	Freeport Oceanside Baldwin Long Beach Rockville Centre	135 81 65 42 37
St. Francis Hospital/ Zip code 11576	164	11561 11550 11576 11050 11427	Long Beach Hempstead Levittown Port Washington Queens Village	36 11 8 4 4
Winthrop Hospital/ Zip code 11501	216	11550 11590 11501 11552 11040	Hempstead New Cassel Mineola W. Hempstead Garden City Park	28 26 16 10 5

*Information for the period March 18, 2004-May 24, 2004

TABLE IV

Policies, Procedures, Applications and Signage

The following is a summary of the results reported to the Nassau County Health Department as required under Local Law 1-2003 and as outlined in Section V of this Report.

FRANKLIN MEDICAL CENTER

400 Franklin Avenue, North Valley Stream, NY

Detailed policies and procedures manual for financial assistance received. These policies contained information on eligibility for financial assistance, covered services, notification and communication, the financial assistance application process, evaluation, billing and appeals information. Also submitted were fee schedules for clinic and non-clinic patients. An application form for charity care was attached, as were examples of signage in English and Spanish (other languages as well) and charity care brochures.

LONG BEACH MEDICAL CENTER

455 East Bay Drive, Long Beach, NY

Detailed policies and procedures manual for financial assistance received. This included charity care information and applications in both English and Spanish, and letters explaining how charity care determinations are made. Charity care signage in English and Spanish was submitted.

MERCY MEDICAL CENTER

1000 North Village Avenue, Rockville Centre, NY

Policies and procedures manual for financial assistance received. This included an application for financial assistance and charity care signage in both English and Spanish. A prior hospital inspection found charity care signage posted as text on an 8 ½ x 11 informational flyer.

NASSAU UNIVERSITY MEDICAL CENTER

2201 Hempstead Turnpike, East Meadow, NY

NUMC policies and procedures submitted. Application for financial aid and charity care criteria submitted. Pictures of laminated signage in English and Spanish was submitted. On a prior inspection of the hospital, charity care signage was found to be prominent and legible, and the signage provided a contact telephone number. Brochures entitled “*Patient Financial Assistance Program*” were also available.

NEW-ISLAND HOSPITAL

4295 Hempstead Turnpike, Bethpage, NY

Policies and procedures manual for financial assistance received. This included a federal poverty level eligibility chart, but did not include an application for financial assistance. Charity Care Signage was provided, is in color and is prominent and legible. Signage was offered in English & Spanish.

NORTH SHORE UNIVERSITY HOSPITAL AT GLEN COVE

St. Andrews Lane, Glen Cove, NY

Detailed policies and procedures manual for financial assistance received. These policies contained information on eligibility for financial assistance, covered services, notification and communication, the financial assistance application process, evaluation, billing and appeals information. Also submitted were fee schedules for clinic and non-clinic patients. Application forms for charity care was provided as was signage in English and Spanish (other languages as well) and charity care brochures. On a prior hospital inspection, the charity care signage was prominent and legible, and offered in English & Spanish. There were brochures entitled "*Information for People with No Health Insurance.*" Which were in a Question-Answer format. Hospital flyers advertised *Child Health Plus, Prenatal Care Assistance Program and Family Health Plus.*

NORTH SHORE UNIVERSITY HOSPITAL AT MANHASSET

300 Community Drive, Manhasset, NY

Detailed policies and procedures manual for financial assistance received. These policies contained information on eligibility for financial assistance, covered services, notification and communication, the financial assistance application process, evaluation, billing and appeals information. Also submitted were fee schedules for clinic and non-clinic patients. Application forms for charity care was provided as was signage in English and Spanish (other languages as well) and charity care brochures. On a prior hospital inspection, the charity care signage was prominent and legible, and offered in English & Spanish. There were brochures entitled "*Information for People with No Health Insurance.*" Which were in a Question-Answer format. Hospital flyers advertised *Child Health Plus, Prenatal Care Assistance Program and Family Health Plus.*

NORTH SHORE UNIVERSITY HOSPITAL AT PLAINVIEW

888 Old Country Road, Plainview, NY

Detailed policies and procedures manual for financial assistance received. These policies contained information on eligibility for financial assistance, covered services, notification and communication, the financial assistance application process, evaluation, billing and appeals information. Also submitted were fee schedules for clinic and non-clinic patients. Application forms for charity care was provided as was signage in English and Spanish (other languages as well) and charity care brochures. On a prior hospital inspection, the charity care signage was

prominent and legible, and offered in English & Spanish. There were Hospital flyers advertising *Child Health Plus, Prenatal Care Assistance Program and Family Health Plus*.

NORTH SHORE UNIVERSITY HOSPITAL AT SYOSSET
221 Jericho Turnpike, Syosset, NY

Detailed policies and procedures manual for financial assistance received. These policies contained information on eligibility for financial assistance, covered services, notification and communication, the financial assistance application process, evaluation, billing and appeals information. Also submitted were fee schedules for clinic and non-clinic patients. Application forms for charity care was provided as was signage in English and Spanish (other languages as well) and charity care brochures. On a prior hospital inspection, the charity care signage was prominent and legible, and offered in English & Spanish. There were Hospital flyers advertising *Child Health Plus, Prenatal Care Assistance Program and Family Health Plus*.

ST. FRANCIS HOSPITAL
Searington Road, Roslyn, NY

Policies and procedures manual for financial assistance received. These policies contained information on eligibility for financial assistance and an application form. There were examples of signage in English and Spanish. A prior hospital inspection found charity care signage posted as text on an 8 ½ x 11 informational flyer.

SOUTH NASSAU COMMUNITIES HOSPITAL
2445 Oceanside Road, NY

Policies and procedures for financial assistance were received. Applications for charity care were in English and Spanish. Signage was also in English and Spanish. On a prior inspection, charity care signage was prominent and legible and posted in English & Spanish.

WINTHROP UNIVERSITY HOSPITAL
259 First Street, Mineola, NY 11501

Policies and procedures manual and applications for financial assistance received. There was signage detailing Charity Care policies.